



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-65)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 12-65 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: December 7, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

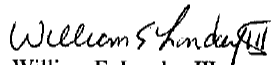
NOV 26 2012

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-65, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Kingdom of Saudi Arabia for defense articles and services estimated to cost \$130 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,


William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 12-65

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b) (1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Saudi Arabia
 - (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$130 million</u>
TOTAL	\$130 million
 - (ii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: technical services to recertify the functional shelf life of up to 300 PATRIOT Advanced Capability-2 (PAC-2) (MIM-104D) Guidance Enhanced Missiles (GEM), modernization of existing equipment, spare and repair parts, support equipment, U.S. Government and contractor representatives logistics, engineering, and technical support services, and other related elements of logistics and program support.
 - (iv) Military Department: Army (UAU)
 - (v) Prior Related Cases, if any: FMS Case JBV - \$3.1 billion – 16Dec92
 - (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
 - (vii) Sensitivity of Technology: See attached annex
 - (viii) Date Report Delivered to Congress: 26 Nov 2012
- * as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Saudi Arabia – PATRIOT PAC-2 Guided Enhanced Missiles (GEM) Recertification

The Government of Saudi Arabia has requested a possible sale of technical services to recertify the functional shelf life of up to 300 PATRIOT Advanced Capability-2 (PAC-2) (MIM-104D) Guidance Enhanced Missiles (GEM), modernization of existing equipment, spare and repair parts, support equipment, U.S. Government and contractor representatives logistics, engineering, and technical support services, and other related elements of logistics and program support. The estimated cost is \$130 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of an important partner which has been, and continues to be, an important force for political stability and economic progress in the Middle East.

The proposed recertification program will allow the Royal Saudi Air Defense Forces to extend the shelf life of the PAC-2 missiles in its inventory for an additional twelve years.

The proposed recertification program will not alter the basic military balance in the region.

The principal contractor will be Raytheon Corporation in Andover, Massachusetts. The recertification process will be performed by Letterkenny Army Depot in Chambersburg, Pennsylvania. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require one contractor representative to travel to the Missile Assembly Disassembly Facility in Jeddah, Saudi Arabia on an extended basis for missile assembly/disassembly support, system checkout, training and technical and logistics support.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 12-65

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The PATRIOT Air Defense System contains classified components and critical/sensitive technology. The PATRIOT PAC-2 (MIM-104D) GEM missile contains hardware components that are classified Confidential.

2. The PATRIOT PAC-2 (MIM-104D) GEM missile is a certified round that has an engineered shelf life which requires a periodic inspection and testing process to recertify it as reliable and safe for continued use. This process requires the replacement of limited life components and testing of other components to maintain a predictable and acceptable level of reliability over the specified certification period. The recertified components are the transmitter (part of the missile forebody), radome, and safety and arming device. The internal sensor assembly and the control section must also be tested to maintain the certification of the missile round. All components are Unclassified. In addition to this recertification process, the missile downlink will be modified to correct performance deficiencies.

3. The missile's sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to the GEM fuze. No design or manufacturing data will be provided to Saudi Arabia under this case.

4. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

[FR Doc. 2012-30428 Filed 12/17/2012 at 8:45 am; Publication Date: 12/18/2012]